Amalgamated Electric Corporation, Limited

Montreal, Canada

Annual Report
1949

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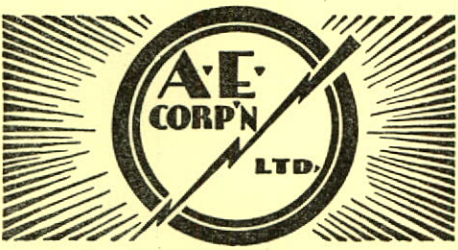
Amalgamated Electric Corporation, Limited

Montreal, Canada



Annual Report
1949

AMALGAMATED ELECTRIC CORPORATION,
LIMITED

and

Subsidiary Companies

BENJAMIN ELECTRIC MANUFACTURING COMPANY
of CANADA LIMITED

BULL DOG ELECTRIC PRODUCTS of CANADA LIMITED

CANADIAN CUTLER-HAMMER LIMITED

LANGLEY ELECTRIC MANUFACTURING COMPANY,
LIMITED

LANGLEY ELECTRICAL COMPANY LIMITED

LANGLEY MANUFACTURING COMPANY LIMITED

CANADIAN JEFFERSON ELECTRIC COMPANY, LIMITED

PLANTS AND WAREHOUSES AT:

TORONTO

MONTREAL

WINNIPEG

CALGARY

VANCOUVER

EXECUTIVE OFFICES:

ROOM 1600

1050 BEAVER HALL HILL

MONTREAL, QUEBEC

AMALGAMATED ELECTRIC CORPORATION, LIMITED
1050 Beaver Hall Hill
MONTREAL

MARCH 20th, 1950

TO THE SHAREHOLDERS:

Your Board of Directors presents herewith the Twenty-first Annual Report on the operations of your Company and its Subsidiaries, together with the Consolidated Statements of Account for the year ended December 31, 1949.

RESULTS OF OPERATIONS

After providing for Income Taxes amounting to $52,316, net profits for the year amounted to $72,318. This compares with net profits of $141,442 in 1948. The decrease of $69,124 in net profits is mainly due to increased wage and material costs which were only partially offset by price increases and improvements in operating efficiency.

During 1949, assessments for Income and Excess Profits Taxes were received for all non-assessed years up to December 31, 1948. Adjustments were of a minor nature.

No dividend was paid during the year.

PLANT

Total expenditures for machinery and equipment amounted to $112,820 which, after deducting equipment scrapped totalling $23,920, resulted in a net increase of $88,900 in the Plant Account.

Depreciation amounting to $83,345 was provided on Plant and Equipment during the year as compared to $115,642 provided in 1948. The decrease of approximately $32,000 is due to the fact that no double depreciation was taken in 1949 as the amount of the reserve for depreciation at the end of that year is in the same proportion to the cost of buildings and equipment as at the end of 1948.

INVENTORIES

The inventories at December 31, 1949, valued at the lower of cost or market prices, aggregated $1,242,773, as compared with $1,443,723 at the close of the preceding year.

FINANCIAL

The third principal repayment of $100,000 was made against the 2¾% First Mortgage (Closed) Serial Bonds, on November 1, 1949, leaving a balance outstanding as at December 31, 1949, of $200,000.

Bank Advances as at December 31, 1949, aggregated $487,430, representing a reduction of $155,643 from $643,073 at the end of the previous year.

A comparison of the Net Working Capital of the Company for the years 1949 and 1948 is shown hereunder.

	1949	1948
Current Assets	$1,961,856	$2,185,068
Current Liabilities	981,589	1,179,866
Net Working Capital	$ 980,267	$1,005,202

ORGANIZATION

During the year arrangements were made to wind up the Western Canada subsidiaries and operate these as branches of your Company. It is expected that these changes and other organization changes which have been made throughout the Company should result in increased efficiency and reduced operating expenses.

DIRECTORS

It is with regret that your Directors record the death of Mr. William Carswell on May 15, 1949. He served your Company faithfully and efficiently for almost seventeen years. At the time of his death he was a member of your Board, Secretary-Treasurer and a member of the Executive Committee.

In June 1949, Mr. D. M. Farish was elected a Director, Secretary-Treasurer and a member of the Executive Committee to replace Mr. Carswell.

EMPLOYEES

Your Directors wish to acknowledge with appreciation the loyal and efficient service rendered by the employees during the past year.

PROSPECTS

Present indications are that the demand for your Company's products should continue at a relatively high level throughout 1950.

By Order of the Board,

M. P. MURPHY,

President.

AMALGAMATED ELECTRIC

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SUBSIDIARY

Consolidated Balance She

ASSETS

CAPITAL ASSETS:		
Land, Buildings, and Equipment at cost		$1,921,126
DEFERRED RECEIVABLE		10,788*
CURRENT ASSETS:		
Inventories of Raw Material, Goods in Process, Finished Stock, etc.	$1,242,773**	
Accounts Receivable (less Reserve for Doubtful Accts.)	677,999	
Dominion of Canada Bonds (at par)	5,000	
Cash	36,084	1,961,856
PREPAID EXPENSES:		
Unexpired Insurance, etc.		15,677
GOODWILL AND PATENTS		1
		$3,909,448

* Refundable Excess Profits Tax.

** Based on physical inventories as at October 31, 1949 (valued at cost or market, whichever was lower) adjusted for operations to December 31, 1949, and after deducting reserve.

Approved on behalf of the Board:

M. P. MURPHY
A. H. ELDER } *Directors.*

C CORPORATION, LIMITED

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COMPANIES

et as at December 31, 1949

LIABILITIES

CAPITAL STOCK:		
Common Stock — without nominal or par value:		
Authorized — 100,000 Shares		
Issued and Paid-up — 84,415 Shares		$ 844,150
2¾% FIRST MORTGAGE (CLOSED) SERIAL BONDS:		
(Due in Equal Annual Amounts November 1, 1950-1951)		200,000
CURRENT LIABILITIES:		
Bank Overdraft	$ 487,430	
Accounts Payable and Accrued Charges	411,477	
Provision for Taxes	82,682	981,589
RESERVE FOR DEPRECIATION		1,271,857
CAPITAL SURPLUS		138,684
SURPLUS:		
Deferred Surplus	10,788*	
Earned Surplus	462,380	473,168
		$3,909,448

AUDITORS' REPORT TO THE SHAREHOLDERS

MONTREAL, February 23, 1950.

We have made an examination of the books and accounts of the Amalgamated Electric Corporation, Limited, and its subsidiary Companies for the year ended December 31, 1949, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Consolidated Balance Sheet and accompanying Consolidated Statements of Profit and Earned Surplus, Capital Surplus and Deferred Surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Companies as at December 31, 1949 and the results of the operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

D. M. FARISH, C.A.,
Treasurer.

McDONALD, CURRIE & Co.,
Chartered Accountants.

AMALGAMATED ELECTRIC CORPORATION, LIMITED
AND
SUBSIDIARY COMPANIES

Consolidated Statement of Profit and Earned Surplus
for Year Ended December 31, 1949

OPERATING PROFIT FOR YEAR — After deducting charges enumerated below		$124,634
Provision for Depreciation	$ 83,345	
Remuneration of Executive Officers	32,732	
Fees of Directors	1,800	
Legal Fees	1,209	
Bond Interest	7,798	
	$126,884	
PROVISION FOR INCOME TAXES		52,316
NET PROFIT for the year		72,318
EARNED SURPLUS brought forward from previous year		348,304
TRANSFER FROM DEFERRED SURPLUS — Refundable Excess Profits Tax received in 1949		41,758
EARNED SURPLUS — as per Consolidated Balance Sheet		$462,380

Consolidated Statement of Capital Surplus
for Year Ended December 31, 1949

Balance brought forward from previous year	$138,684

Consolidated Statement of Deferred Surplus
for Year Ended December 31, 1949

Balance brought forward from previous year		$ 64,376
Deduct: Adjustment of Refundable Excess Profits Tax		11,830
		52,546
Deduct: Refundable Excess Profits Tax received in 1949 — transferred to Earned Surplus		41,758
Balance carried forward		$ 10,788

Amalgamated Electric Corporation, Limited

DIRECTORS

*A. V. Armstrong	R. D. Harkness
Aubrey H. Elder	Homer M. Jaquays
*D. M. Farish	Richard O. Johnson
C. W. Findlow	*M. P. Murphy
*P. F. Sise	

*Members of the Executive Committee

OFFICERS

P. F. Sise	*Chairman of the Board*
M. P. Murphy	*President*
A. V. Armstrong	*Vice-President & Managing Director*
D. M. Farish	*Secretary-Treasurer*

Stanley Langley	*Technical Manager*
C. W. Findlow	*Works Manager*
C. D. McCaig	*General Sales Manager*
M. K. Douglas	*Chief Accountant*

SOLICITORS

Wainwright, Elder & Laidley — Montreal

Blake, Anglin, Osler & Cassels — Toronto

TRANSFER AGENTS

Montreal Trust Company — Montreal

Endorsed Electrical Equipment

DISTRIBUTION EQUIPMENT

Breakers—Nofuz

Busways

Cabinets—Cutter, Junction, Pull, Splitter, Telephone, Transformers.

Fuse Clamps and Grips.

Panelboards—Distribution, Lighting, Residential.

Switches—Industrial, Service.

Switchboards—Lighting, Power.

Trol-E-Duct.

Wireways.

LIGHTING EQUIPMENT

Display, Floodlighting, Spot.

Floating Arm Lamps.

Fluorescent, Incandescent.

Porcelain Enamel Reflectors.

Theatre Control.

Vapor-Proof, Dust-Tight, Explosion-Proof.

MOTOR CONTROL

Drum, Pressure, Float, Foot, Vacuum and Limit Switches.

Magnetic Brakes.

Mill Duty Control.

Pushbutton Stations.

Resistors, Rheostats, Dimmers.

Starters and Speed Regulators.

Unitrol Control Centres.

WIRING SUPPLIES

Apartment Mail Boxes.

Ballasts—Fluorescent.

Boxes—Outlet and Switch.

Cable Clamps and Connectors.

Fittings—Fixture, Ground, Conduit.

Fuses—Cartridge.

Signals—Industrial.

Transformers—Bell Ringing, Chime, Control, Lighting, Luminous Tube, Oil Burner Ignition, Power Circuit, Signalling.

Wiring Devices.

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CORP'N
LTD.